

Housing Authority - County of Los Angeles

September 17, 2007

To: Each Supervisor

From: Carlos Jackson, Executive Director



**SUBJECT: MONTHLY PROGRESS REPORT ON THE SECTION 8
HOUSING PROGRAM**

On March 13, 2007, your Board instructed me to report monthly on our efforts and progress to remove the Section 8 program from its "troubled" status, as rated by HUD's Section Eight Management Assessment Program (SEMAP). This report covers the period of August 17, 2007 – September 17, 2007 and provides information on the following:

- Corrective Action Plan (CAP) for FY 2005-2006 approved by your Board on August 21, 2007.
- The Nelrod Company advisor
- Current performance status
- Office of Inspector General (OIG) audit

SEMAP

As I reported to your Board on August 21, 2007, we anticipate earning at least 90 points out of the possible 145 SEMAP points to receive a standard rating for FY 2006-2007. This is based on our self-assessment of SEMAP indicators 1 through 8, which was completed and submitted to HUD on August 6, 2007, and HUD's score from the online reporting system for June 30, 2007, on indicators 9 through 14. As indicated to your Board on August 28, 2007, the Section 8 program would be removed from "troubled" status only if HACoLA receives a SEMAP score of at least 87 points for FY 2006-2007 and completes the tasks listed in the executed CAP.

CAP

The first group of CAP items was submitted to HUD today, on September 17, 2007, which reflects performance objectives completed through June 30, 2007. The next set of CAP documents will be submitted to HUD by October 17, 2007, and will cover performance objectives to be completed by August 31, 2007. The final CAP submission will be submitted to HUD by November 17, 2007 and will cover all remaining performance objectives. (See Attachment A)

HUD Advisor On-Site

Following your Board's action to accept the technical assistance from HUD, we met with the HUD Advisor, the Nelrod Company, on Wednesday, September 5, 2007. Although HUD's Los Angeles Field Office staff was invited to participate in the meeting, they did not attend. Nelrod provided the HUD task list, which outlines a work plan. The task list was shared with the Board Deputies on August 28, 2007. After one week, Nelrod has identified the "critical impact priorities" that will best assist us within the scope of their task order. In addition to completing the tasks outlined in HUD's task list, Nelrod will also be providing assistance in the following areas:

1. Determination of Adjusted Income Performance
2. Lease-up
3. SEMAP Documentation for FY 07-08
4. Effective YARDI Implementation
5. Annual Re-examinations
6. Enforcement of Housing Quality Standards
7. Housing Quality Standards Annual Inspections

Nelrod is seeking approval to provide formal training to the Board of Supervisors, but their existing contract may prohibit this item. However, alternative training measures are being explored that will accommodate your respective schedule. My upcoming monthly report will contain updates on the Nelrod activities.

FY 2007-2008 Performance Status

The following is the current performance status on the three most critical indicators for FY 2007-2008:

Annual Reexaminations (SEMAP Indicator #9) – We have completed 98% of the annual reexaminations that are due through September 1, 2007.

Annual Inspections (SEMAP Indicator #12) – We have completed 99.7% of the annual inspections that are due through September 1, 2007.

Lease-Up (SEMAP Indicator #13) – Our current lease-up rate is 90.6%, representing 18,772 assisted families throughout the County. We have 1,955 pending contracts; 1,095 voucher holders are seeking housing; 2,898 applications are being processed at this time. Due to our continuing lease-up efforts, we remain on target to reach 95% lease-up by December 31, 2007.

Each Supervisor
September 17, 2007
Page 3

Pending Office of Inspector General Audit

As we reported previously, HACoLA has yet to receive the HUD Office of the Inspector General (OIG) report from the auditor, who has been working on the annual re-examination and tenant eligibility throughout the past year.

CJ:ML:sm
Attachment

c: William T Fujioka, Chief Executive Officer
Sachi A. Hamai, Executive Officer/Clerk of the Board of Supervisors
Each Deputy
Los Angeles County Housing Commissioners

Corrective Action Plan

The process for closure of the CAP items is to prepare the back-up materials to support compliance with the particular issue, and, either send it or, if too voluminous, make sure that it is available to the HUD staff for review. HUD staff will review the submission and after all of the information is received, a confirmatory on-site at the HACoLA will take place. At that time, a final decision will be made on closure of the issue.

CORRECTIVE ACTION PLAN TIMELINE

<i>Management Area or Indicator</i>	<i>Submittal Date 9/17/07</i>	<i>Submittal Date 10/17/07</i>	<i>Submittal Date 11/17/07</i>
Governance			√
Organization and Staffing		√	
Finance			√
Procurement	√		
MIS	√		
Program Management		√	
Indicator 1 – Selection from the Waiting List		√	
Indicator 2 – Rent Reasonableness	√		
Indicator 3 – Determination of Adjusted Income			√
Indicator 4 – Utility Allowance Schedule	√		
Indicator 5 – HQS Quality Control Inspections	√		
Indicator 6 – HQS Enforcement			√
Indicator 7 – Expanding Housing Opportunities	√		
Indicator 8 – Payment Standards	√		
Indicator 9 – Annual Reexaminations			√
Indicator 10 – Correct Tenant Rent Calculations			√
Indicator 11 – Pre-contract Housing Quality Standards (HQS) Inspections	√		
Indicator 12 – Annual Housing Quality Standards Inspections			√
Indicator 13 – Lease-up			√
Indicator 14 – Family Self-Sufficiency (FSS)			√